



UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA

**Federal Trade Commission,**

Plaintiff,

v.

**Jason Cardiff, et al.,**

Defendants.

**FILED UNDER SEAL**

Case No. 18-cv-2104

*EX PARTE* TEMPORARY  
RESTRAINING ORDER WITH  
ASSET FREEZE,  
APPOINTMENT OF A  
TEMPORARY RECEIVER, AND  
OTHER EQUITABLE RELIEF,  
AND ORDER TO SHOW CAUSE  
WHY A PRELIMINARY  
INJUNCTION SHOULD NOT  
ISSUE

Plaintiff, the Federal Trade Commission, has filed its Complaint for Permanent Injunction and Other Equitable Relief pursuant to Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 53(b), the Restore Online Shoppers’ Confidence Act, (“ROSCA”), 15 U.S.C. §§ 8401-8405, and the Electronic Fund Transfer Act (“EFTA”), 15 U.S.C. §§ 1693-1693r, and Section 6

1 of the Telemarketing and Consumer Fraud and Abuse Prevention Act (the  
2 “Telemarketing Act”), 15 U.S.C. § 6105, and has moved, pursuant to Fed. R. Civ.  
3 P. 65(b), for a temporary restraining order, asset freeze, other equitable relief, and  
4 an order to show cause why a preliminary injunction should not issue against  
5 Defendants Jason Cardiff, Eunjung Cardiff, a/k/a Eunjung Lee, a/k/a Eunjung No,  
6 Danielle Cadiz, a/k/a Danielle Walker, Redwood Scientific Technologies, Inc.  
7 (California), Redwood Scientific Technologies, Inc. (Nevada), Redwood Scientific  
8 Technologies, Inc. (Delaware), Identify, LLC, Advanced Men’s Institute Prolongz  
9 LLC, Run Away Products, LLC, and Carols Place Limited Partnership.

### 10 FINDINGS OF FACT

11 The Court, having considered the Complaint, the *ex parte* Application for a  
12 Temporary Restraining Order, declarations, exhibits, and the memorandum of  
13 points and authorities filed in support thereof, and being otherwise advised, finds  
14 that:

15 A. This Court has jurisdiction over the subject matter of this case, and  
16 there is good cause to believe that it will have jurisdiction over all parties hereto  
17 and that venue in this district is proper.

18 B. In numerous instances, Defendants have misrepresented the  
19 effectiveness of their dissolvable film strip products for smoking cessation, weight  
20 loss, and improved male sexual performance, thereby misleading vulnerable  
21 consumers. Defendants have then further injured many consumers by placing  
22 them on unauthorized continuity plans that resulted in additional charges to their  
23 credits cards or withdrawals from their debit accounts. Defendants have also made  
24 false earnings claims as part of a multilevel marketing plan, and illegally caused  
25 more than one million robocalls to be made to consumers’ telephones.

26 C. There is good cause to believe that Defendants Jason Cardiff, Eunjung  
27 Cardiff, Danielle Cadiz, Redwood Scientific Technologies, Inc. (California),  
28 Redwood Scientific Technologies, Inc. (Nevada), Redwood Scientific

1 Technologies, Inc. (Delaware), Identify, LLC, Advanced Men’s Institute Prolongz  
2 LLC, Run Away Products, LLC, and Carols Place Limited Partnership have  
3 engaged in and are likely to engage in acts or practices that violate Sections 5(a)  
4 and 12 of the FTC Act, Section 4 of ROSCA, Section 907(a) of EFTA, EFTA’s  
5 implementing Regulation E, and the Telemarketing Sales Rule (“TSR”), and that  
6 Plaintiff is therefore likely to prevail on the merits of this action. As demonstrated  
7 by Defendants’ own advertising and communications, consumer complaints,  
8 declarations, and the additional documentation filed by the FTC, the Commission  
9 has established a likelihood of success in showing that Defendants have  
10 deceptively marketed TBX-FREE, Eupepsia Thin, and Prolongz, placed consumers  
11 on continuity plans without their prior authorization, charged consumers’ credit  
12 cards and debited their bank accounts without authorization, caused robocalls to be  
13 made to more than one million consumers to induce the sale of goods or services,  
14 and misrepresented the earnings that people who join their multi-level marketing  
15 program are likely to make.

16 D. The FTC is likely to succeed in showing that Corporate Defendants  
17 Redwood Scientific Technologies, Inc. (California), Redwood Scientific  
18 Technologies, Inc. (Nevada), Redwood Scientific Technologies, Inc. (Delaware),  
19 Identify, LLC, Advanced Men’s Institute Prolongz LLC, Run Away Products,  
20 LLC, and Carols Place Limited Partnership operate as a common enterprise and are  
21 the alter egos of Jason Cardiff and Eunjung Cardiff.

22 E. There is good cause to believe that immediate and irreparable harm  
23 will result from Defendants’ ongoing violations of the FTC Act, ROSCA, EFTA  
24 and Regulation E, and the TSR unless Defendants are restrained and enjoined by  
25 order of this Court.

26 F. There is good cause to believe that immediate and irreparable damage  
27 to the Court’s ability to grant effective final relief for consumers – including  
28 monetary restitution, rescission, or disgorgement – will occur from the sale,

1 transfer, destruction or other disposition or concealment by Defendants of their  
2 assets or records, unless Defendants are immediately restrained and enjoined by  
3 order of this Court; and that, in accordance with Fed. R. Civ. P. 65(b) and Local  
4 Rule 7-19.2, the interests of justice require that this Order be granted without prior  
5 notice to Defendants. Thus, there is good cause for relieving Plaintiff of the duty  
6 to provide Defendants with prior notice of its Motion for a Temporary Restraining  
7 Order.

8 G. Good cause exists for freezing the assets of all Defendants, appointing  
9 a temporary receiver over the Receivership Entities and over the assets of Jason  
10 Cardiff and Eunjung Cardiff, permitting Plaintiff and the Receiver immediate  
11 access to the Defendants' business premises, and permitting Plaintiff and the  
12 Receiver to take expedited discovery.

13 H. Weighing the equities and considering Plaintiff's likelihood of  
14 ultimate success on the merits, a temporary restraining order with an asset freeze,  
15 the appointment of a temporary receiver, immediate access to business premises,  
16 expedited discovery, and other equitable relief is in the public interest.

17 I. This Court has authority to issue this Order pursuant to Section 13(b)  
18 of the FTC Act, 15 U.S.C. § 53(b), Federal Rule of Civil Procedure 65, and the All  
19 Writs Act, 28 U.S.C. § 1651.

20 J. No security is required of any agency of the United States for issuance  
21 of a temporary restraining order. Fed. R. Civ. P. 65(c).

## 22 DEFINITIONS

23 For the purpose of this Order, the following definitions shall apply:

24 A. "Asset" means any legal or equitable interest in, right to, or claim to,  
25 any property, wherever located and by whomever held.

26 B. "Continuity Program" means any plan, arrangement, or system under  
27 which a consumer is periodically charged for products or services, without prior  
28 notification by the seller before each charge.

1 C. “Corporate Defendant(s)” means Redwood Scientific Technologies,  
2 Inc. (California), Redwood Scientific Technologies, Inc. (Nevada), Redwood  
3 Scientific Technologies, Inc. (Delaware), Identify, LLC, Advanced Men’s Institute  
4 Prolongz LLC, Run Away Products, LLC, and Carols Place Limited Partnership,  
5 and each of their subsidiaries, affiliates, successors, and assigns.

6 D. “Defendant(s)” means Corporate Defendants, Jason Cardiff, Eunjung  
7 Cardiff, and Danielle Cadiz, individually, collectively, or in any combination.

8 E. “Document” is synonymous in meaning and equal in scope to the  
9 usage of “document” and “electronically stored information” in Federal Rule of  
10 Civil Procedure 34(a), Fed. R. Civ. P. 34(a), and includes writings, drawings,  
11 graphs, charts, photographs, sound and video recordings, images, Internet sites,  
12 web pages, websites, electronic correspondence, including email and instant  
13 messages, contracts, accounting data, advertisements, FTP Logs, Server Access  
14 Logs, books, written or printed records, handwritten notes, telephone logs,  
15 telephone scripts, receipt books, ledgers, personal and business canceled checks  
16 and check registers, bank statements, appointment books, computer records,  
17 customer or sales databases, and any other electronically stored information,  
18 including Documents located on remote servers or cloud computing systems, and  
19 other data or data compilations from which information can be obtained directly or,  
20 if necessary, after translation into a reasonably usable form. A draft or non-  
21 identical copy is a separate document within the meaning of the term.

22 F. “Electronic Data Host” means any person or entity in the business of  
23 storing, hosting, or otherwise maintaining electronically stored information. This  
24 includes, but is not limited to, any entity hosting a website or server, and any entity  
25 providing “cloud based” electronic storage.

26 G. “Individual Defendant(s)” means Jason Cardiff, Eunjung Cardiff, and  
27 Danielle Cadiz, individually, collectively, or in any combination.

28 H. “Negative Option” means, in an offer or agreement to sell or provide

1 any good or service, a provision under which the consumer's silence or failure to  
2 take an affirmative action to reject a good or service or to cancel the agreement is  
3 interpreted by the seller or provider as acceptance or continuing acceptance of the  
4 offer or agreement.

5 I. "Person" means a natural person, organization, or other legal entity,  
6 including a corporation, partnership, proprietorship, association, cooperative, or  
7 any other group or combination acting as an entity.

8 J. "Preauthorized Electronic Fund Transfer" means an electronic fund  
9 transfer authorized in advance to recur at substantially regular intervals.

10 K. "Receiver" means the temporary receiver appointed in Section XV of  
11 this Order and any deputy receivers that shall be named by the temporary receiver.

12 L. "Receivership Entities" means Corporate Defendants as well as any  
13 other entity that has conducted any business related to Defendants' marketing and  
14 sale of dissolvable film strips and promotion of the Rengalife multilevel marketing  
15 program, including receipt of Assets derived from any activity that is the subject of  
16 the Complaint in this matter, and that the Receiver determines is controlled or  
17 owned by any Defendant.

18 M. "Receivership Property" means any Assets, wherever located, that are:  
19 (1) owned, controlled, or held by or for the benefit of the Receivership Entities,  
20 Jason Cardiff, or Eunjung Cardiff, in whole or in part; (2) in the actual or  
21 constructive possession of the Receivership Entities, Jason Cardiff, or Eunjung  
22 Cardiff; or (3) owned, controlled, or held by, or in the actual or constructive  
23 possession of, or otherwise held for the benefit of, any corporation, partnership,  
24 trust, or other entity directly or indirectly owned or controlled by the Receivership  
25 Entities, Jason Cardiff, or Eunjung Cardiff, including the Jurikel Family Trust, and  
26 Carols Place Trust.

## 27 ORDER

### 28 I. PROHIBITED BUSINESS ACTIVITIES

1           **IT IS THEREFORE ORDERED** that Defendants, Defendants’ officers,  
2 agents, employees, and attorneys, and all other persons in active concert or  
3 participation with them, who receive actual notice of this Order by personal service  
4 or otherwise, whether acting directly or indirectly, in connection with the  
5 advertising, marketing, promoting, or offering for sale of any goods, services, or  
6 programs are temporarily restrained and enjoined from misrepresenting or assisting  
7 others in misrepresenting, expressly or by implication:

8           A. Any material fact about TBX-FREE, Eupepsia Thin, or Prolongz,  
9 including, but not limited to:

- 10           1. That TBX-FREE is an effective smoking cessation product;
- 11           2. That TBX-FREE is more effective than either nicotine patches  
12           or nicotine gum in enabling cigarette smokers to stop smoking;
- 13           3. That TBX-FREE enables many cigarette smokers to quit in  
14           seven to ten days;
- 15           4. That TBX-FREE has an 88% success rate, including among  
16           people who have smoked cigarettes for more than five years;
- 17           5. That smokers should not need to purchase more than one month  
18           of TBX-FREE;
- 19           6. That clinical studies have been conducted on TBX-FREE, and  
20           have shown that TBX-FREE is an effective smoking cessation  
21           product;
- 22           7. That TBX-FREE has been proven in clinical studies to be more  
23           effective than nicotine patches or nicotine gum in enabling  
24           smokers to stop smoking;
- 25           8. That clinical studies of TBX-FREE conducted on 10,600 people  
26           have shown that TBX-FREE has an “88% success rate”;
- 27           9. That The New England Journal of Medicine (“NEJM”),  
28           Harvard Health Publications, and Johns Hopkins University

1 have published clinical studies proving that TBX-FREE is an  
2 effective smoking cessation product;

3 10. That NEJM's clinical studies showed that TBX-FREE is ten  
4 times more effective for smoking cessation than nicotine  
5 replacement therapy;

6 11. That Eupepsia Thin is an effective appetite suppressant and  
7 weight loss aid;

8 12. That Eupepsia Thin starts working in less than 20 seconds, and  
9 suppresses a user's appetite within minutes;

10 13. That Eupepsia Thin enables users to lose 10, 20, or even 100  
11 pounds without dieting, giving up their favorite foods, or  
12 increasing their exercise;

13 14. That Eupepsia Thin users can lose 15 pounds their first month  
14 without dieting or changing their food or lifestyle;

15 15. That Eupepsia Thin users can lose as much as 20 pounds in one  
16 month and as much as 50 pounds in three months;

17 16. That Eupepsia Thin is more effective at causing weight loss  
18 than conventional calorie reduction and meal plans;

19 17. That Eupepsia Thin enables consumers to avoid gaining back  
20 weight they lose, without any lifestyle changes.

21 18. That clinical studies have been conducted on EupepsiaThin and  
22 those studies show that it is an effective appetite suppressant  
23 and weight loss aid;

24 19. That Prolongz substantially increases ejaculation control and  
25 the duration of sex;

26 20. That Prolongz treats or prevents premature ejaculation;

27 21. That Prolongz is clinically proven to increase ejaculation  
28 control and the duration of sex for more than 97% of users;



22. That Eupepsia Thin is made in the United States;

23. That individuals appearing in advertising for Eupepsia Thin used that product successfully to lose weight; and

24. That consumers who are not satisfied with the product they purchased will get their money back;

B. Any material fact about any multi-level marketing plan, including, but not limited to, the income that participants in the plan are likely to earn; and

C. Any other fact material to consumers concerning any good or service, such as: the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.

## **II. PROHIBITIONS AGAINST UNFAIR AND DECEPTIVE NEGATIVE OPTION MARKETING PRACTICES**

**IT IS FURTHER ORDERED** that Defendants, Defendants' officers, agents, employees, and attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, whether acting directly or indirectly, in connection with the sale of any good or service are temporarily restrained and enjoined from charging, causing to be charged, assisting others in charging, or attempting to charge any consumer in any sale of a good or service sold through a negative option without:

A. Clearly and conspicuously disclosing all material terms of the negative option features before obtaining the consumer's billing information;

B. Obtaining a consumer's express informed consent, written or similarly authorized, to the negative option features before making any charge; and

C. Providing a simple mechanism for a consumer to stop recurring charges from being placed on the consumer's credit card, debit card, or other financial account.

1 **III. PROHIBITIONS AGAINST UNAUTHORIZED CHARGES**

2 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,  
3 agents, employees, and attorneys, and all other persons in active concert or  
4 participation with any of them, who receive actual notice of this Order, whether  
5 acting directly or indirectly, are temporarily restrained and enjoined from charging,  
6 causing to be charged, assisting others in charging, or attempting to charge any  
7 consumer for any good or service without first obtaining the consumer's express  
8 informed consent, written or similarly authorized, to the charge.

9 **IV. PROHIBITIONS AGAINST DEBITING CONSUMERS' BANK**  
10 **ACCOUNTS WITHOUT AUTHORIZATION**

11 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,  
12 agents, employees, and attorneys, and all other persons in active concert or  
13 participation with any of them, who receive actual notice of this Order, whether  
14 acting directly or indirectly, in connection with the sale of any good or service, are  
15 temporarily restrained and enjoined from:

16 A. Failing to timely obtain written authorization signed or similarly  
17 authenticated by the consumer for any Preauthorized Electronic Fund Transfer  
18 from a consumer's account before initiating any Preauthorized Electronic Fund  
19 Transfer; and

20 B. Failing to provide to the consumer a copy of a valid written  
21 authorization signed or similarly authenticated by the consumer for any  
22 Preauthorized Electronic Fund Transfer from a consumer's account.

23  
24 **V. PROHIBITION OF PRERECORDED MARKETING CALLS**

25 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,  
26 agents, employees, and attorneys, and all other persons in active concert or  
27 participation with any of them, who receive actual notice of this Order, whether  
28 acting directly or indirectly, are hereby temporarily restrained and enjoined from

1 initiating or causing the initiation of outbound telephone calls delivering  
2 prerecorded messages to induce the sale of goods or services.

3 **VI. PROHIBITION ON RELEASE OF CUSTOMER INFORMATION**

4 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,  
5 agents, employees, and attorneys, and all other persons in active concert or  
6 participation with any of them, who receive actual notice of this Order, whether  
7 acting directly or indirectly, are hereby temporarily restrained and enjoined from:

8 A. Selling, renting, leasing, transferring, or otherwise disclosing, the  
9 name, address, birth date, telephone number, email address, credit card number,  
10 bank account number, Social Security number, or other financial or identifying  
11 information of any person that any Defendant obtained in connection with any  
12 activity that pertains to the subject matter of this Order; and

13 B. Benefitting from or using the name, address, birth date, telephone  
14 number, email address, credit card number, bank account number, Social Security  
15 number, or other financial or identifying information of any person that any  
16 Defendant obtained in connection with any activity that pertains to the subject  
17 matter of this Order.

18 Provided, however, that Defendants may disclose such identifying  
19 information to a law enforcement agency, to their attorneys as required for their  
20 defense, as required by any law, regulation, or court order, or in any filings,  
21 pleadings or discovery in this action in the manner required by the Federal Rules of  
22 Civil Procedure and by any protective order in the case.

23  
24 **VII. ASSET FREEZE**

25 **IT IS FURTHER ORDERED** that Defendants and their officers, agents,  
26 employees, and attorneys, and all other persons in active concert or participation  
27 with any of them, who receive actual notice of this Order, whether acting directly  
28 or indirectly, are hereby temporarily restrained and enjoined from:

1           A.     Transferring, liquidating, converting, encumbering, pledging, loaning,  
2     selling, concealing, dissipating, disbursing, assigning, relinquishing, spending,  
3     withdrawing, granting a lien or security interest or other interest in, or otherwise  
4     disposing of any Assets that are:

- 5                 1.     Owned or controlled, directly or indirectly, by any Defendant,  
6                         including, but not limited to, those for which a Defendant is a  
7                         signatory on the account;
- 8                 2.     Held, in part or in whole, for the benefit of any Defendant;
- 9                 3.     In the actual or constructive possession of any Defendant; or
- 10                4.     Owned or controlled by, in the actual or constructive possession  
11                        of, or otherwise held for the benefit of, any corporation,  
12                        partnership, asset protection trust, or other entity that is directly  
13                        or indirectly owned, managed or controlled by any Defendant.

14           B.     Opening or causing to be opened any safe deposit boxes, commercial  
15     mail boxes, or storage facilities titled in the name of any Defendant or subject to  
16     access by any Defendant, except as necessary to comply with written requests from  
17     the Receiver acting pursuant to its authority under this Order;

18           C.     Incurring charges or cash advances on any credit, debit, or ATM card  
19     issued in the name, individually or jointly, of any Corporate Defendant or any  
20     corporation, partnership, or other entity directly or indirectly owned, managed, or  
21     controlled by any Defendant, or of which any Defendant is an officer, director,  
22     member, or manager. This includes any corporate bankcard or corporate credit  
23     card account for which any Defendant is, or was on the date that this Order was  
24     signed, an authorized signer; or

25           D.     Cashing any checks or depositing any money orders or cash received  
26     from consumers, clients, or customers of any Defendant;

27     The Assets affected by this Section shall include: (1) all Assets of Defendants as  
28     of the time this Order is entered; and (2) Assets obtained by Defendants after this

Order is entered if those Assets are derived from any activity that is the subject of the Complaint in this matter or that is prohibited by this Order; and (3) all Assets owned or controlled, directly or indirectly, by Jason Cardiff, Eunjung Cardiff, the Jurikel Family Trust, or Carols Place Trust. This Section does not prohibit any transfers to the Receiver or repatriation of foreign Assets specifically required by this Order.

#### **VIII. DUTIES OF ASSET HOLDERS AND OTHER THIRD PARTIES**

**IT IS FURTHER ORDERED** that any financial or brokerage institution, Electronic Data Host, credit card processor, payment processor, merchant bank, acquiring bank, independent sales organization, third party processor or vendor, payment gateway, insurance company, business entity, or person who receives actual notice of this Order (by service or otherwise) that:

- (a) has held, controlled, or maintained custody, through an account or otherwise, of any Document on behalf of any Defendant or any Asset that has been owned or controlled, directly or indirectly, by any Defendant; held, in part or in whole, for the benefit of any Defendant; in the actual or constructive possession of any Defendant; or owned or controlled by, in the actual or constructive possession of, or otherwise held for the benefit of, any corporation, partnership, asset protection trust, or other entity that is directly or indirectly owned, managed or controlled by any Defendant;
- (b) has held, controlled, or maintained custody, through an account or otherwise, of any Document or Asset associated with credits, debits, or charges made on behalf of any Defendant, including reserve funds held by payment processors, credit card processors, merchant banks, acquiring banks, independent sales

1 organizations, third party processors or vendors, payment  
2 gateways, insurance companies, or other entities; or

3 (c) has extended credit to any Defendant, including through a credit  
4 card account, shall:

5 A. Hold, preserve, and retain within its control and prohibit the  
6 withdrawal, removal, alteration, assignment, transfer, pledge, encumbrance,  
7 disbursement, dissipation, relinquishment, conversion, sale, or other disposal of  
8 any such Document or Asset, as well as all Documents or other property related to  
9 such Assets, except by further order of this Court;

10 B. Deny any person, except the Receiver, access to any safe deposit box,  
11 commercial mail box, or storage facility that is titled in the name of any Defendant,  
12 either individually or jointly, or otherwise subject to access by any Defendant;

13 C. Provide Plaintiff's counsel and the Receiver, within three (3) days of  
14 receiving a copy of this Order, a sworn statement setting forth:

- 15 1. The identification number of each such account or Asset;
- 16 2. The balance of each such account, or a description of the nature  
17 and value of each such Asset as of the close of business on the  
18 day on which this Order is served, and, if the account or other  
19 Asset has been closed or removed, the date closed or removed,  
20 the total funds removed in order to close the account, and the  
21 name of the person or entity to whom such account or other  
22 Asset was remitted; and
- 23 3. The identification of any safe deposit box, commercial mail  
24 box, or storage facility that is either titled in the name,  
25 individually or jointly, of any Defendant, or is otherwise subject  
26 to access by any Defendant; and

27 D. Upon the request of Plaintiff's counsel or the Receiver, promptly  
28 provide Plaintiff's counsel and the Receiver with copies of all records or other

Documents pertaining to any account covered by this Section or Asset, including originals or copies of account applications, account statements, signature cards, checks, drafts, deposit tickets, transfers to and from the accounts, including wire transfers and wire transfer instructions, all other debit and credit instruments or slips, currency transaction reports, 1099 forms, and all logs and records pertaining to safe deposit boxes, commercial mail boxes, and storage facilities.

Provided, however, that this Section does not prohibit any transfers to the Receiver or repatriation of foreign Assets specifically required by this Order.

#### **IX. FINANCIAL DISCLOSURES**

**IT IS FURTHER ORDERED** that each Defendant, within five (5) days of service of this Order upon them, shall prepare and deliver to Plaintiff's counsel and the Receiver:

A. Completed financial statements on the forms attached to this Order as **Attachment A** (Financial Statement of Individual Defendant) for each Individual Defendant, and **Attachment B** (Financial Statement of Corporate Defendant) for each Corporate Defendant and for Carols Place Trust and the Jurikel Family Trust; and

B. Completed **Attachment C** (IRS Form 4506, Request for Copy of a Tax Return) for each Individual Defendant and Corporate Defendant.

#### **X. FOREIGN ASSET REPATRIATION**

**IT IS FURTHER ORDERED** that within five (5) days following the service of this Order, Jason Cardiff, Eunjung Cardiff, Carols Place Trust, and each Corporate Defendant shall:

A. Provide Plaintiff's counsel and the Receiver with a full accounting, verified under oath and accurate as of the date of this Order, of all Assets,



1 Documents, and accounts outside of the United States that are: (1) titled in the  
2 name, individually or jointly, of any Defendant; (2) held by any person or entity  
3 for the benefit of any Defendant or for the benefit of, any corporation, partnership,  
4 asset protection trust, or other entity that is directly or indirectly owned, managed  
5 or controlled by any Defendant; or (3) under the direct or indirect control, whether  
6 jointly or singly, of any Defendant;

7 B. Take all steps necessary to provide the Receiver and Plaintiff's  
8 counsel access to all Documents and records that may be held by third parties  
9 located outside of the territorial United States of America, including signing the  
10 Consent to Release of Financial Records appended to this Order as **Attachment D**.

11 C. Transfer to the territory of the United States and deliver to the  
12 Receiver all Documents and Assets located in foreign countries that are: (1) titled  
13 in the name, individually or jointly, of any Defendant, or any trust or other entity  
14 for which any Defendant is a beneficiary or trustee; (2) held by any person or  
15 entity for the benefit of any Defendant or for the benefit of any corporation,  
16 partnership, asset protection trust, or other entity that is directly or indirectly  
17 owned, managed or controlled by any Defendant; or (3) under the direct or indirect  
18 control, whether jointly or singly, of any Defendant; and

19 D. The same business day as any repatriation, (1) notify the Receiver and  
20 Plaintiff's counsel of the name and location of the financial institution or other  
21 entity that is the recipient of such Documents or Assets; and (2) serve this Order on  
22 any such financial institution or other entity.

23 **XI. NON-INTERFERENCE WITH ASSET FREEZE AND**  
24 **REPATRIATION**

25 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,  
26 agents, employees, and attorneys, and all other persons in active concert or  
27 participation with any of them, who receive actual notice of this Order, whether  
28 acting directly or indirectly, are hereby temporarily restrained and enjoined from



1 taking any action, directly or indirectly, which may result in the encumbrance,  
2 transfer, relocation, or dissipation of domestic or foreign Assets, or in the  
3 hindrance of the repatriation required by this Order, including, but not limited to:

4 A. Sending any communication or engaging in any other act, directly or  
5 indirectly, that results in a determination by a foreign trustee or other entity that a  
6 “duress” event has occurred under the terms of a foreign trust agreement until such  
7 time that all Defendants’ Assets have been fully repatriated pursuant to this Order;  
8 or

9 B. Notifying any trustee, protector, or other agent of any foreign trust or  
10 other related entities of either the existence of this Order, or of the fact that  
11 repatriation is required pursuant to a court order, until such time that all  
12 Defendants’ Assets have been fully repatriated pursuant to this Order.

## 13 **XII. CONSUMER CREDIT REPORTS**

14 **IT IS FURTHER ORDERED** that Plaintiff may obtain credit reports  
15 concerning any Defendants pursuant to Section 604(a)(1) of the Fair Credit  
16 Reporting Act, 15 U.S.C. 1681b(a)(1), and that, upon written request, any credit  
17 reporting agency from which such reports are requested shall provide them to  
18 Plaintiff.

## 19 **XIII. PRESERVATION OF RECORDS**

20 **IT IS FURTHER ORDERED** that Defendants, Defendants’ officers,  
21 agents, employees, and attorneys, and all other persons in active concert or  
22 participation with any of them, who receive actual notice of this Order, whether  
23 acting directly or indirectly, are hereby temporarily restrained and enjoined from:

24 A. Destroying, erasing, falsifying, writing over, mutilating, concealing,  
25 altering, transferring, or otherwise disposing of, in any manner, directly or  
26 indirectly, Documents that relate to: (1) the business, business practices, Assets, or  
27 business or personal finances of any Defendant; (2) the business practices or  
28 finances of entities directly or indirectly under the control of any Defendant; or (3)

1 the business practices or finances of entities directly or indirectly under common  
2 control with any other Defendant; and

3 B. Failing to create and maintain Documents that, in reasonable detail,  
4 accurately, fairly, and completely reflect Defendants' incomes, disbursements,  
5 transactions, and use of Defendants' Assets.

#### 6 **XIV. REPORT OF NEW BUSINESS ACTIVITY**

7 **IT IS FURTHER ORDERED** that Defendants, Defendants' officers,  
8 agents, employees, and attorneys, and all other persons in active concert or  
9 participation with any of them, who receive actual notice of this Order, whether  
10 acting directly or indirectly, are hereby temporarily restrained and enjoined from  
11 creating, operating, or exercising any control over any business entity, whether  
12 newly formed or previously inactive, including any partnership, limited  
13 partnership, joint venture, sole proprietorship, or corporation, without first  
14 providing Plaintiff's counsel and the Receiver with a written statement disclosing:  
15 (1) the name of the business entity; (2) the address and telephone number of the  
16 business entity; (3) the names of the business entity's officers, directors, principals,  
17 managers, and employees; and (4) a detailed description of the business entity's  
18 intended activities.

#### 22 **XV. TEMPORARY RECEIVER**

23 **IT IS FURTHER ORDERED** that Robb Evans & Associates, LLC is  
24 appointed as temporary receiver of the Receivership Entities and of the assets of  
25 Jason Cardiff and Eunjung Cardiff that are:

- 26 1. Owned, controlled or held by or for the benefit of Jason Cardiff  
27 or Eunjung Cardiff, in whole or in part;  
28

2. In the actual or constructive possession of Jason Cardiff or Eunjung Cardiff; or
3. Owned, controlled or held by, or in the actual or constructive possession of, or otherwise held for the benefit of, any corporation, partnership, trust, or other entity directly or indirectly owned or controlled by Jason Cardiff or Eunjung Cardiff;

with full powers of an equity receiver. The Receiver shall be solely the agent of this Court in acting as Receiver under this Order.

#### **XVI. DUTIES AND AUTHORITY OF RECEIVER**

**IT IS FURTHER ORDERED** that the Receiver is directed and authorized to accomplish the following:

A. Assume full control of the Receivership Entities by removing, as the Receiver deems necessary or advisable, any director, officer, independent contractor, employee, attorney, or agent of any Receivership Entity from control of, management of, or participation in, the affairs of the Receivership Entity;

B. Take exclusive custody, control, and possession of all Assets and Documents of, or in the possession, custody, or under the control of, any Receivership Entity and all Assets of Jason Cardiff and Eunjung Cardiff covered by Part XV of this Order, wherever situated, except for real property used as the residence of Jason Cardiff and Eunjung Cardiff;

C. Take exclusive custody, control, and possession of all Documents or Assets associated with credits, debits, or charges made on behalf of any Receivership Entity, wherever situated, including reserve funds held by payment processors, credit card processors, merchant banks, acquiring banks, independent sales organizations, third party processors, payment gateways, insurance companies, or other entities;

1 D. Conserve, hold, manage, and prevent the loss of all Receivership  
2 Property, and perform all acts necessary or advisable to preserve the value of those  
3 Assets. The Receiver shall assume control over the income and profits therefrom  
4 and all sums of money now or hereafter due or owing to the Receivership Entities.  
5 The Receiver shall have full power to sue for, collect, and receive, all Receivership  
6 Property and all Assets of other persons or entities whose interests are now under  
7 the direction, possession, custody, or control of, the Receivership Entities or of  
8 Jason Cardiff or Eunjung Cardiff. Provided, however, that the Receiver shall not  
9 attempt to collect any amount from a consumer if the Receiver believes the  
10 consumer's debt to the Receivership Entities has resulted from the deceptive acts  
11 or practices or other violations of law alleged in the Complaint in this matter,  
12 without prior Court approval;

13 E. Take exclusive custody, control, and possession of the following  
14 valuable articles in the possession, custody, or under the control of, Defendants  
15 Jason Cardiff, Eunjung Cardiff, or Carols Place Limited Partnership, wherever  
16 located:

- 17 1. Ladies 14K yellow gold and diamond ring. Insured for  
18 \$11,813.
- 19 2. Ladies diamond pendent setting 14 KT. Insured for \$23,730.
- 20 3. Ladies Diamond Stud Earrings. Insured for \$34,125.
- 21 4. Ladies Diamond Fancy Ring. Insured for \$31,763.
- 22 5. Mens Roadster SM WG/WG Paved Bezel. Insured for  
23 \$32,550.
- 24 6. Ladies handmade platinum diamond bracelet. Insured for  
25 \$46,725
- 26 7. Mens GTS 18KT white gold Daytona Rolex. Insured for  
27 \$42,000.

8. 5.08 ct round diamond I color S12 Clarity EGL platinum ring. Insured for \$102,076.
9. Mens Rolex Yacht-Master 18K gold watch. Insured for \$14,125.
10. Ladies Love Bra yellow gold 4 dia[] 17 cm. Insured for \$9,819.
11. Ladies yellow gold ring, Serial #UD0824. Insured for \$2,284.
12. Ladies fancy diamond bracelet. Insured for \$39,397.
13. Mens Rolex watch 18KT gold Pearlmaster. Insured for \$33,180.
14. Tiffany pearl bracelet. Insured for \$3,166.
15. Ladies emerald and diamond ring. Insured for \$24,856.
16. IWC Portofino moon phase watch. Insured for \$8,000.
17. Pre-owner Ladies stainless steel Patek Phili[ppe]. Insured for \$8,145.
18. Rolex Vintage Thund[er]. Insured for \$9,000.
19. Stuart Moore “Aronade” platinum diamond. Insured for \$12,650.
20. Peter Philippe annual calendar wristwatch. Insured for \$41,300.
21. 18K yellow gold Tiffany Diamond Bracelet. #B0164. Insured for \$7,600.
22. “Living Room” Artist Romero Britto. Insured for \$12,600.
23. Hermes Birkin bag, size 35 (Togo leather; in Sienna color). Insured for \$20,000.
24. Hermes Birkin bag, size 35 (Togo leather; Curry). Insured for \$20,000.
25. Ladies ring round center stone 8.5 cts, VS2 with diamonds. Insured for \$532,000.

26. MenOCOs Patek Philippe gold calendar watch model 5035J.  
Insured for \$28,500.

Defendants Jason Cardiff and Eunjung Cardiff shall deliver all of the foregoing articles to the Receiver at a place and time to be determined by the Receiver.

F. Obtain, conserve, hold, manage, and prevent the loss of all Documents of the Receivership Entities, and perform all acts necessary or advisable to preserve such Documents. The Receiver shall: divert mail; preserve all Documents of the Receivership Entities that are accessible via electronic means (such as online access to financial accounts and access to electronic documents held onsite or by Electronic Data Hosts, by changing usernames, passwords or other log-in credentials; take possession of all electronic Documents of the Receivership Entities stored onsite or remotely; take whatever steps necessary to preserve all such Documents; and obtain the assistance of the FTC's Digital Forensic Unit for the purpose of obtaining electronic documents stored onsite or remotely.

G. Choose, engage, and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists, as the Receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Order;

H. Make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order, and to incur, or authorize the making of, such agreements as may be necessary and advisable in discharging his or her duties as Receiver. The Receiver shall apply to the Court for prior approval of any payment of any debt or obligation incurred by the Receivership Entities prior to the date of entry of this Order, except payments that the Receiver deems necessary or advisable to secure Assets of the Receivership Entities, such as rental payments;

1           I.     Take all steps necessary to secure and take exclusive custody of each  
2 location from which the Receivership Entities operate their businesses. Such steps  
3 may include, but are not limited to, any of the following, as the Receiver deems  
4 necessary or advisable: (1) securing the location by changing the locks and alarm  
5 codes and disconnecting any Internet access or other means of access to the  
6 computers, servers, internal networks, or other records maintained at that location;  
7 and (2) requiring any persons present at the location to leave the premises, to  
8 provide the Receiver with proof of identification, and/or to demonstrate to the  
9 satisfaction of the Receiver that such persons are not removing from the premises  
10 Documents or Assets of the Receivership Entities, including, but not limited to,  
11 telephones, computers, and tablets paid for by the Receivership Entities. Law  
12 enforcement personnel, including, but not limited to, police or sheriffs, may assist  
13 the Receiver in implementing these provisions in order to keep the peace and  
14 maintain security. If requested by the Receiver, the United States Marshal will  
15 provide appropriate and necessary assistance to the Receiver to implement this  
16 Order and is authorized to use any necessary and reasonable force to do so;

17           J.     Take all steps necessary to prevent the modification, destruction, or  
18 erasure of any web page or website registered to and operated, in whole or in part,  
19 by any Defendants, and to provide access to all such web page or websites to  
20 Plaintiff's representatives, agents, and assistants, as well as Defendants and their  
21 representatives;

22           K.     Enter into and cancel contracts and purchase insurance as advisable or  
23 necessary;

24           L.     Prevent the inequitable distribution of Assets and determine, adjust,  
25 and protect the interests of consumers who have transacted business with the  
26 Receivership Entities;  
27  
28

1 M. Make an accounting, as soon as practicable, of the Assets and  
2 financial condition of the receivership and file the accounting with the Court and  
3 deliver copies thereof to all parties;

4 N. Institute, compromise, adjust, appear in, intervene in, defend, dispose  
5 of, or otherwise become party to any legal action in state, federal or foreign courts  
6 or arbitration proceedings as the Receiver deems necessary and advisable to  
7 preserve or recover the Assets of the Receivership Entities, or to carry out the  
8 Receiver's mandate under this Order, including, but not limited to, actions  
9 challenging fraudulent or voidable transfers;

10 O. Issue subpoenas to obtain Documents and records pertaining to the  
11 Receivership, and conduct discovery in this action on behalf of the receivership  
12 estate, in addition to obtaining other discovery as set forth in this Order;

13 P. Open one or more bank accounts at designated depositories for funds  
14 of the Receivership Entities. The Receiver shall deposit all funds of the  
15 Receivership Entities in such designated accounts and shall make all payments and  
16 disbursements from the receivership estate from such accounts. The Receiver shall  
17 serve copies of monthly account statements on all parties;

18 Q. Maintain accurate records of all receipts and expenditures incurred as  
19 Receiver;

20 R. Allow Plaintiffs' representatives, agents, and assistants, as well as  
21 Defendants' representatives and Defendants themselves, reasonable access to the  
22 premises of the Receivership Entities, or any other premises where the  
23 Receivership Entities conduct business. The purpose of this access shall be to  
24 inspect and copy any and all books, records, Documents, accounts, and other  
25 property owned by, or in the possession of, the Receivership Entities or their  
26 agents. The Receiver shall have the discretion to determine the time, manner, and  
27 reasonable conditions of such access;



1 S. Allow Plaintiffs' representatives, agents, and assistants, as well as  
2 Defendants and their representatives reasonable access to all Documents in the  
3 possession, custody, or control of the Receivership Entities;

4 T. Cooperate with reasonable requests for information or assistance from  
5 any state or federal civil or criminal law enforcement agency;

6 U. Suspend business operations of the Receivership Entities if in the  
7 judgment of the Receiver such operations cannot be continued legally and  
8 profitably;

9 V. If the Receiver identifies a nonparty entity as a Receivership Entity,  
10 promptly notify the entity as well as the parties, and inform the entity that it can  
11 challenge the Receiver's determination by filing a motion with the Court.  
12 Provided, however, that the Receiver may delay providing such notice until the  
13 Receiver has established control of the nonparty entity and its assets and records, if  
14 the Receiver determines that notice to the entity or the parties before the Receiver  
15 establishes control over the entity may result in the destruction of records,  
16 dissipation of assets, or any other obstruction of the Receiver's control of the  
17 entity;

18 W. If in the Receiver's judgment the business operations cannot be  
19 continued legally and profitably, take all steps necessary to ensure that any of the  
20 Receivership Entities' web pages or websites relating to the activities alleged in the  
21 Complaint cannot be accessed by the public, or are modified for consumer  
22 education and/or informational purposes, and take all steps necessary to ensure that  
23 any telephone numbers associated with the Receivership Entities cannot be  
24 accessed by the public, or are answered solely to provide consumer education or  
25 information regarding the status of operations; and

26 X. Report to this Court on or before the date set for the hearing to Show  
27 Cause regarding the Preliminary Injunction or as otherwise directed by the Court,  
28 regarding: (1) the steps taken by the Receiver to implement the terms of the Order;

(2) the value of all assets and sum of all liabilities of the Receivership Entities; (3) the steps the Receiver intends to take in the future to protect receivership assets, recover receivership assets from third parties, and adjust receivership liabilities; (4) the Receiver's opinion on whether any portion of the business of any of the Receivership Entities can continue to operate legally and profitably; and (5) any other matters that the Receiver believes should be brought to the Court's attention.

## **XVII. TRANSFER OF RECEIVERSHIP PROPERTY TO RECEIVER**

**IT IS FURTHER ORDERED** that Defendants and any other person with possession, custody or control of (1) property of, or records relating to, the Receivership Entities or (2) the Assets of Jason Cardiff or Eunjung Cardiff or any trusts for which they are beneficiaries or trustees, shall, upon notice of this Order by personal service or otherwise, fully cooperate with and assist the Receiver in taking and maintaining possession, custody, or control of the Assets and Documents of the Receivership Entities and the Assets of Jason Cardiff or Eunjung Cardiff and immediately provide, transfer, or deliver to the Receiver possession, custody, and control of, the following:

A. All Assets held by or for the benefit of the Receivership Entities or of Jason Cardiff or Eunjung Cardiff, except for real property used as the residence of Jason Cardiff and Eunjung Cardiff;

B. All Documents or Assets associated with credits, debits, or charges made on behalf of any Receivership Entity, wherever situated, including reserve funds held by payment processors, credit card processors, merchant banks, acquiring banks, independent sales organizations, third party processors, payment gateways, insurance companies, or other entities;

C. All Documents of or pertaining to the Receivership Entities or to the Assets of Jason Cardiff or Eunjung Cardiff;

D. All computers, electronic devices, mobile devices, and machines used to conduct the business of the Receivership Entities;

1 E. All Assets and Documents belonging to other persons or entities  
2 whose interests are under the direction, possession, custody, or control of the  
3 Receivership Entities; and

4 F. All keys, codes, user names, passwords, and all other means of  
5 authentication necessary to gain or to secure access to any Assets or Documents of  
6 or pertaining to the Receivership Entities, including access to their business  
7 premises, means of communication, mobile phones, accounts, computer systems  
8 (onsite and remote), Electronic Data Hosts, or other property.

9 In the event that any person or entity fails to deliver or transfer any Asset,  
10 Document, or otherwise fails to comply with any provision of this Section, the  
11 Receiver may file an Affidavit of Non-Compliance regarding the failure and a  
12 motion seeking compliance or a contempt citation.

13 **XVIII. PROVISION OF INFORMATION TO RECEIVER**

14 **IT IS FURTHER ORDERED** that Receivership Entities and Jason Cardiff  
15 and Eunjung Cardiff shall immediately provide to the Receiver:

16 A. A list of all Assets and accounts of the Receivership Entities that are  
17 held in any name other than the name of a Receivership Entity, or by any person or  
18 entity other than a Receivership Entity;

19 B. A list of all Assets and accounts of Jason Cardiff and Eunjung Cardiff  
20 that are held in any name other than their own names, or by any person or entity  
21 other than themselves;

22 C. A list of all agents, employees, officers, attorneys, servants and those  
23 persons in active concert and participation with the Receivership Entities, or who  
24 have been associated or done business with the Receivership Entities; and

25 D. A description of any documents covered by attorney-client privilege  
26 or attorney work product, including files where such documents are likely to be  
27 located, authors or recipients of such documents, and search terms likely to  
28 identify such electronic documents.

**XIX. COOPERATION WITH THE RECEIVER**

**IT IS FURTHER ORDERED** that Defendants, Receivership Entities, Defendants' or Receivership Entities' officers, agents, employees, and attorneys, all other persons in active concert or participation with any of them, and any other person with possession, custody, or control of:

1. Receivership Property or records relating to Receivership Property; or
2. Other records relating to the Receivership Entities;

who receive actual notice of this Order shall fully cooperate with and assist the Receiver. This cooperation and assistance shall include, but is not limited to, providing information to the Receiver that the Receiver deems necessary to exercise the authority and discharge the responsibilities of the Receiver under this Order; providing any keys, codes, user names, passwords, and all other means required to access any computers, electronic devices, mobile devices, machines (onsite or remotely), and any cloud account (including specific method to access account) or electronic file in any medium; advising all persons who owe money to any Receivership Entity that all debts should be paid directly to the Receiver; and transferring funds at the Receiver's direction and producing records related to the Receivership Property and sales of the Receivership Entities.

**XX. NON-INTERFERENCE WITH THE RECEIVER**

**IT IS FURTHER ORDERED** that Defendants, Receivership Entities, Defendants' or Receivership Entities' officers, agents, employees, attorneys, and all other persons in active concert or participation with any of them, who receive actual notice of this Order, and any other person served with a copy of this Order, are hereby restrained and enjoined from directly or indirectly:

- A. Interfering with the Receiver's efforts to manage, or take custody, control, or possession of, the Assets or Documents subject to the receivership;
- B. Transacting any of the business of the Receivership Entities;

1 C. Transferring, receiving, altering, selling, encumbering, pledging,  
2 assigning, liquidating, or otherwise disposing of any Assets owned, controlled, or  
3 in the possession or custody of, or in which an interest is held or claimed by, the  
4 Receivership Entities, Jason Cardiff, or Eunjung Cardiff; or

5 D. Refusing to cooperate with the Receiver or the Receiver's duly  
6 authorized agents in the exercise of their duties or authority under any order of this  
7 Court.

## 8 **XXI. STAY OF ACTIONS**

9 **IT IS FURTHER ORDERED** that, except by leave of this Court, during  
10 the pendency of the receivership ordered herein, Defendants, Defendants' officers,  
11 agents, employees, attorneys, and all other persons in active concert or  
12 participation with any of them, who receive actual notice of this Order, and their  
13 corporations, subsidiaries, divisions, or affiliates, and all investors, creditors,  
14 stockholders, lessors, customers and other persons seeking to establish or enforce  
15 any claim, right, or interest against or on behalf of Defendants, and all others  
16 acting for or on behalf of such persons, are hereby enjoined from taking action that  
17 would interfere with the exclusive jurisdiction of this Court over the Assets or  
18 Documents of the Receivership Entities or over the assets of Jason Cardiff and  
19 Eunjung Cardiff, including, but not limited to:

20 A. Filing or assisting in the filing of a petition for relief under the  
21 Bankruptcy Code, 11 U.S.C. § 101 et seq., or of any similar insolvency proceeding  
22 on behalf of the Receivership Entities;

23 B. Commencing, prosecuting, or continuing a judicial, administrative, or  
24 other action or proceeding against the Receivership Entities, including the issuance  
25 or employment of process against the Receivership Entities, except that such  
26 actions may be commenced if necessary to toll any applicable statute of  
27 limitations;  
28

1 C. Filing or enforcing any lien on any Asset of the Receivership Entities,  
2 taking or attempting to take possession, custody, or control of any Asset of the  
3 Receivership Entities, Jason Cardiff, or Eunjung Cardiff; or attempting to  
4 foreclose, forfeit, alter, or terminate any interest in any Asset of the Receivership  
5 Entities, Jason Cardiff, or Eunjung Cardiff, whether such acts are part of a judicial  
6 proceeding, are acts of self-help, or otherwise.

7 Provided, however, that this Order does not stay: (1) the commencement or  
8 continuation of a criminal action or proceeding; (2) the commencement or  
9 continuation of an action or proceeding by a governmental unit to enforce such  
10 governmental unit's police or regulatory power; or (3) the enforcement of a  
11 judgment, other than a money judgment, obtained in an action or proceeding by a  
12 governmental unit to enforce such governmental unit's police or regulatory power.

13 **XXII.COMPENSATION OF RECEIVER**

14 **IT IS FURTHER ORDERED** that the Receiver and all personnel hired by  
15 the Receiver as herein authorized, including counsel to the Receiver and  
16 accountants, are entitled to reasonable compensation for the performance of duties  
17 pursuant to this Order and for the cost of actual out-of-pocket expenses incurred by  
18 them, from the Assets now held by, in the possession or control of, or which may  
19 be received by, the Receivership Entities, Jason Cardiff, or Eunjung Cardiff. The  
20 Receiver shall file with the Court and serve on the parties periodic requests for the  
21 payment of such reasonable compensation, with the first such request filed no more  
22 than sixty (60) days after the date of entry of this Order. The Receiver shall not  
23 increase the hourly rates used as the bases for such fee applications without prior  
24 approval of the Court.

1 **XXIII. RECEIVER'S BOND**

2 **IT IS FURTHER ORDERED** that the Receiver shall file with the Clerk of  
3 this Court a bond in the sum of \$15,000 with sureties to be approved by the Court,  
4 conditioned that the Receiver will well and truly perform the duties of the office  
5 and abide by and perform all acts the Court directs. 28 U.S.C. § 754.

6 **XXIV. IMMEDIATE ACCESS TO BUSINESS PREMISES AND RECORDS**

7 **IT IS FURTHER ORDERED** that:

8 A. In order to allow Plaintiff and the Receiver to preserve Assets and  
9 evidence relevant to this action and to expedite discovery, Plaintiff and the  
10 Receiver, and their representatives, agents, contractors, and assistants, shall have  
11 immediate access to the business premises and storage facilities, owned,  
12 controlled, or used by the Receivership Entities. Such locations include, but are  
13 not limited to: 820 North Mountain Ave., Suite 100, Upland, CA 91786; 870  
14 North Mountain Ave., Suites 115 and 118, Upland, CA 91786; any additional  
15 business locations if they are discovered during the immediate access, and any  
16 offsite location or commercial mailbox used by the Receivership Entities. The  
17 Receiver may exclude Defendants, Receivership Entities, and their employees  
18 from the business premises during the immediate access.

19 B. Plaintiff and the Receiver, and their representatives, agents,  
20 contractors, and assistants, are authorized to remove Documents from the  
21 Receivership Entities' premises in order that they may be inspected, inventoried,  
22 and copied. Plaintiff shall return any removed materials to the Receiver within  
23 five (5) business days of completing inventorying and copying, or such time as is  
24 agreed upon by Plaintiff and the Receiver;

25 C. Plaintiff's access to the Receivership Entities' documents pursuant to  
26 this Section shall not provide grounds for any Defendant to object to any  
27 subsequent request for documents served by Plaintiff.  
28



1 D. Plaintiff and the Receiver, and their representatives, agents,  
2 contractors, and assistants, are authorized to obtain the assistance of federal, state  
3 and local law enforcement officers as they deem necessary to effect service and to  
4 implement peacefully the provisions of this Order;

5 E. If any Documents, computers, or electronic storage devices containing  
6 information related to the business practices or finances of the Receivership  
7 Entities are at a location other than those listed herein, including personal  
8 residence(s) of any Defendant, then, immediately upon receiving notice of this  
9 order, Defendants and the Receivership Entities shall produce to the Receiver all  
10 such Documents, computers, and electronic storage devices, along with any codes  
11 or passwords needed for access. In order to prevent the destruction of computer  
12 data, upon service of this Order, any such computers or electronic storage devices  
13 shall be powered down in the normal course of the operating system used on such  
14 devices and shall not be powered up or used until produced for copying and  
15 inspection; and

16 F. If any communications or records of any Receivership Entity are  
17 stored with an Electronic Data Host, such Entity shall, immediately upon receiving  
18 notice of this order, provide the Receiver with the username, passwords, and any  
19 other login credential needed to access the communications and records, and shall  
20 not attempt to access, or cause a third party to attempt to access, the  
21 communications or records.

## 22 **XXV. DISTRIBUTION OF ORDER BY DEFENDANTS**

23 **IT IS FURTHER ORDERED** that Defendants shall immediately provide a  
24 copy of this Order to each affiliate, telemarketer, marketer, sales entity, successor,  
25 assign, member, officer, director, employee, agent, independent contractor, client,  
26 attorney, spouse, subsidiary, division, and representative of any Defendant, and  
27 shall, within ten (10) days from the date of entry of this Order, provide Plaintiff  
28 and the Receiver with a sworn statement that this provision of the Order has been



1 satisfied, which statement shall include the names, physical addresses, phone  
2 number, and email addresses of each such person or entity who received a copy of  
3 the Order. Furthermore, Defendants shall not take any action that would  
4 encourage officers, agents, members, directors, employees, salespersons,  
5 independent contractors, attorneys, subsidiaries, affiliates, successors, assigns or  
6 other persons or entities in active concert or participation with them to disregard  
7 this Order or believe that they are not bound by its provisions.

## 8 **XXVI. EXPEDITED DISCOVERY**

9 **IT IS FURTHER ORDERED** that, notwithstanding the provisions of Fed.  
10 R. Civ. P. 26(d) and (f) and 30(a)(2)(A)(iii), and pursuant to Fed. R. Civ. P. 30(a),  
11 34, and 45, Plaintiff and the Receiver are granted leave, at any time after service of  
12 this Order, to conduct limited expedited discovery for the purpose of discovering:  
13 (1) the nature, location, status, and extent of Defendants' Assets; or (2) compliance  
14 with this Order. The limited expedited discovery set forth in this Section shall  
15 proceed as follows:

16 A. Plaintiff and the Receiver may take the deposition of parties and non-  
17 parties. Forty-eight (48) hours notice shall be sufficient notice for such  
18 depositions. The limitations and conditions set forth in Rules 30(a)(2)(B) and  
19 31(a)(2)(B) of the Federal Rules of Civil Procedure regarding subsequent  
20 depositions of an individual shall not apply to depositions taken pursuant to this  
21 Section. Any such deposition taken pursuant to this Section shall not be counted  
22 towards the deposition limit set forth in Rules 30(a)(2)(A) and 31(a)(2)(A) and  
23 depositions may be taken by telephone or other remote electronic means.

24 B. Plaintiff and the Receiver may serve upon parties requests for  
25 production of Documents or inspection that require production or inspection within  
26 five (5) days of service, provided, however, that three (3) days of notice shall be  
27 deemed sufficient for the production of any such Documents that are maintained or  
28 stored only in an electronic format.

1 C. Plaintiff and the Receiver may serve upon parties interrogatories that  
2 require response within five (5) days after Plaintiff serves such interrogatories.

3 D. Plaintiff and the Receiver may serve subpoenas upon non-parties that  
4 direct production or inspection within five (5) days of service.

5 E. Service of discovery upon a party to this action, taken pursuant to this  
6 Section, shall be sufficient if made by facsimile, email, or by overnight delivery.

7 F. Any expedited discovery taken pursuant to this Section is in addition  
8 to, and is not subject to, the limits on discovery set forth in the Federal Rules of  
9 Civil Procedure and the Local Rules of this Court. The expedited discovery  
10 permitted by this Section does not require a meeting or conference of the parties,  
11 pursuant to Rules 26(d) & (f) of the Federal Rules of Civil Procedure.

12 G. The Parties are exempted from making initial disclosures under Fed.  
13 R. Civ. P. 26(a)(1) until further order of this Court.

14 **XXVII. SERVICE OF THIS ORDER**

15 **IT IS FURTHER ORDERED** that copies of this Order as well as  
16 Plaintiff's *Ex Parte* Application For (1) A Temporary Restraining Order And  
17 Order To Show Cause Why A Preliminary Injunction Should Not Issue And (2)  
18 Order Waiving Notice Requirement and all other pleadings, Documents, and  
19 exhibits filed contemporaneously with that Application (other than the complaint  
20 and summons), may be served by any means, including facsimile, electronic mail  
21 or other electronic messaging, personal or overnight delivery, U.S. Mail or FedEx,  
22 by agents and employees of Plaintiff, by any law enforcement agency, or by  
23 private process server, upon any Defendant or any person (including any financial  
24 institution) that may have possession, custody or control of any Asset or Document  
25 of any Defendant, or that may be subject to any provision of this Order pursuant to  
26 Rule 65(d)(2) of the Federal Rules of Civil Procedure. For purposes of this  
27 Section, service upon any branch, subsidiary, affiliate or office of any entity shall  
28 effect service upon the entire entity.

**XXVIII. CORRESPONDENCE AND SERVICE ON PLAINTIFF**

**IT IS FURTHER ORDERED** that, for the purpose of this Order, all correspondence and service of pleadings on Plaintiff shall be addressed to:

Elizabeth Sanger  
James A. Prunty  
Edwin Rodriguez  
Shira D. Modell  
Federal Trade Commission  
600 Pennsylvania Ave., NW  
Washington, DC 20580  
Tel: (202) 326-2757, -2438, -3147, -3116  
Fax: (202) 326-3259  
Email: esanger@ftc.gov; jprunty@ftc.gov; erodriguez@ftc.gov; smodell@ftc.gov

**XXIX. PRELIMINARY INJUNCTION HEARING**

**IT IS FURTHER ORDERED** that, pursuant to Fed. R. Civ. P. 65(b), Defendants shall appear before this Court on the 23rd day of October, 2018, at 2:00 p.m. to show cause, if there is any, why this Court should not enter a preliminary injunction, pending final ruling on the Complaint against Defendants, enjoining the violations of the law alleged in the Complaint, continuing the freeze of the Defendants' Assets, continuing the receivership, and imposing such additional relief as may be appropriate.

**XXX. BRIEFS AND AFFIDAVITS CONCERNING PRELIMINARY INJUNCTION**

**IT IS FURTHER ORDERED** that:

A. Defendants shall file with the Court and serve on Plaintiff's counsel any answering pleadings, affidavits, motions, expert reports or declarations, or legal memoranda no later than **four (4) days** prior to the order to show cause hearing scheduled pursuant to this Order. Plaintiff may file responsive or supplemental pleadings, materials, affidavits, or memoranda with the Court and serve the same on counsel for Defendants no later than **one (1) day** prior to the

1 order to show Cause hearing. Provided that such affidavits, pleadings, motions,  
2 expert reports, declarations, legal memoranda, or oppositions must be served by  
3 personal or overnight delivery, facsimile or email, and be received by the other  
4 party or parties no later than 5:00 p.m. Pacific Time on the appropriate dates set  
5 forth in this Section.

6 B. An evidentiary hearing on Plaintiff's request for a preliminary  
7 injunction is not necessary unless Defendants demonstrate that they have, and  
8 intend to introduce, evidence that raises a genuine and material factual issue. The  
9 question of whether this Court should enter a preliminary injunction shall be  
10 resolved on the pleadings, declarations, exhibits, and memoranda filed by, and oral  
11 argument of, the parties. Live testimony shall be heard only on further order of  
12 this Court. Any motion to permit such testimony shall be filed with the Court and  
13 served on counsel for the other parties at least five (5) days prior to the preliminary  
14 injunction hearing in this matter. Such motion shall set forth the name, address,  
15 and telephone number of each proposed witness, a detailed summary or affidavit  
16 revealing the substance of each proposed witness's expected testimony, and an  
17 explanation of why the taking of live testimony would be helpful to this Court.  
18 Any papers opposing a timely motion to present live testimony or to present live  
19 testimony in response to another party's timely motion to present live testimony  
20 shall be filed with this Court and served on the other parties at least three (3) days  
21 prior to the order to show cause hearing.

22 Provided, however, that service shall be performed by personal or overnight  
23 delivery, facsimile, or email, and Documents shall be delivered so that they shall  
24 be received by the other parties no later than 5:00 p.m. Pacific Time on the  
25 appropriate dates provided in this Section.  
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1 **XXXI. DURATION OF THE ORDER**

2 **IT IS FURTHER ORDERED** that this Order shall expire fourteen (14)  
3 days from the date of entry noted below, unless within such time, the Order is  
4 extended for an additional period pursuant to Fed. R. Civ. P. 65(b)(2).

5 **XXXII. RETENTION OF JURISDICTION**

6 **IT IS FURTHER ORDERED** that this Court shall retain jurisdiction of  
7 this matter for all purposes.

8 SO ORDERED, this 10th day of October, 2018 @ 3:00 p.m.

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12 UNITED STATES DISTRICT JUDGE  
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